



## **An Assessment of Low-Pressure Crude Oil Pipelines and Gathering Lines**

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### **Chapter 7 Recommendations**

#### **7.1 Database and Study**

Although the data set for the California crude oil pipelines under study was relatively small, it was sufficient to determine an overall leak incident rate. This incident rate was essentially the same as the incident rate for hazardous liquid pipelines regulated by CSFM. Although the overall leak incident rates for these groups of pipelines were similar, the likelihood of large spills, and spills resulting in large values of damage, were much lower for the crude oil pipelines under study. And finally, although the data was limited, there was no evidence to suggest that crude oil spills pose a significant risk to human life. As a result, we recommend the following:

- ! Develop a set of criteria which can be used to identify pipelines which would likely impact unusually sensitive areas in the event of a leak. These criteria might include: likelihood of a spill from a given pipeline to reach a stream or waterway, etc. The CSFM Pipeline Safety Advisory Committee could be used to accomplish this recommendation.
- ! Distribute this criteria to the owners of the pipelines identified in this study. The operators could then identify those pipelines which would likely impact unusually sensitive areas in the event of a leak.
- ! Include the pipelines identified which would likely impact unusually sensitive areas in the scope/definition of those pipelines regulated by CSFM under Chapter 5.5 of the California Government Code.
- ! Modify the law to require continued leak and pipeline inventory reporting for all pipelines in this study. This will enable the CSFM to keep the database current.

In addition to these recommendations, we suggest the following actions:

- ! Further enhance efforts at partnering by continuing to invite the operators of these pipelines as well as representatives of other local and State agencies to the Pipeline Safety Conferences and other training programs sponsored by CSFM.



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- ! The database effort conducted as part of this study should be expanded to include California's intrastate and interstate pipelines. Funding should be appropriated to support a comprehensive data base (e.g., all pipelines jurisdictional CSFM and pipelines included in this study) and establishment of comprehensive computerized pipeline mapping.
- ! The permitting process for pipeline replacement or upgrade projects (including local and State agencies) should be streamlined to the greatest extent possible.

### 7.2 Barriers and Incentive Options

The State of California has clearly made a number of strides toward clarifying its jurisdictional authority over oil and gas transportation facilities - most notably in Section 51015.05 of the California Government Code. This 1994 legislation, by defining operative terms such as Aproduction tanks and facilities@ and Atransportation facilities,@ resolved confusion and clearly distinguished between the jurisdictional authority of CSFM and that of DOGGR. In addition, this law is the driving force behind this study of incentive options and barriers to pipeline replacement and/or improvement in California. As possible evidence of the success of this statute, there was no indication by participants in this study that there is any lingering conflict between the jurisdictional responsibilities of DOGGR and CSFM.

Nevertheless, this study identified a number of levels of jurisdictional conflict and confusion. Although there was no evidence of perceived conflict among State-level agencies, it is clear that operators in particular perceive a tremendous amount of conflict between State-level agencies, on the one hand, and federal, county, and city agencies on the other.

One of the most striking conclusions, therefore, is that the *perception* of problems appears to be a serious problem for the State of California. Although the scope of this study (particularly the questionnaire) did not provide for independent verification or critical analysis of the information provided by the respondents, it is clear that there are any number of perceived barriers to pipeline replacement and improvements - these perceived barriers are particularly acute at the local government level.

Although detailed recommendations and specific implementation plans would be premature at this time, a number of general suggestions can be made. These suggestions should provide a useful backdrop and help guide the State of California as it further investigates its permitting process.



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- ! The State should appoint a single lead agency with jurisdiction over every aspect of the permitting process in California. This lead agency should work in a *partnership* between State and local agencies, with consideration for local land use and other issues. One of the agency's objectives should be to integrate federal, State and local policies for crude oil production and the transportation of crude oil and refined petroleum products.
- ! All permitting requirements should be standardized and redundancies and conflicts should be eliminated. A rigorous evaluation of the permitting process should be undertaken by the newly-appointed lead agency. Each requirement should be justified using sound scientific or other compelling reasoning.
- ! The newly-appointed lead agency should develop and implement a time line for permit application and approval. This time line should include Aconsequences@ for the agency or operator for not meeting scheduled milestones.
- ! The newly-appointed lead agency should consider the following incentives to repair, replace, or improve pipelines. The most obvious incentive for operators to improve, repair or replace pipelines will be the comprehensive streamlining of state and local regulations.
  - " reduction in the frequency of inspections for new pipelines;
  - " reduction of hydrostatic test frequency; etc.
- ! Pipeline repair/replacement which improves public and environmental safety should be removed from CEQA requirements